

EXECUTIVE SUMMARY OF HREDA/PAED MERGER

INTRODUCTION

The Peninsula Alliance for Economic Development (PAED) was formed to serve as the business attraction and economic development agency for the six cities and counties on the lower Virginia Peninsula plus Gloucester County. PAED was also formed to assist in the training and development of the area's workforce. The Hampton Roads Economic Development Alliance (HREDA) was formed by the six jurisdictions on the Southside of Hampton Roads to serve as their business attraction and economic development agency. The respective executive committees and boards of directors of each organization have adopted resolutions endorsing the concept and general terms of a merger of the business attraction functions of the two organizations, which terms are outlined in a Memorandum of Understanding endorsed by each organization.

SUMMARY OF PROPOSED MERGER

It is intended that PAED will transfer its business attraction and economic development functions to HREDA, and HREDA will thereafter represent the entire Hampton Roads region. PAED will become the Peninsula Council on Workforce Development (PCWD) and change its mission to focus exclusively on workforce development. Members and financial supporters of PAED shall join and financially support HREDA at the levels described in the Memorandum of Understanding. Certain assets of PAED shall be transferred to HREDA as described in the Memorandum of Understanding (human resources, cash, office furnishings, etc.).

EFFECTIVE DATE OF MERGER

The effective date of the merger will be March 1, 2005 (or as soon as all necessary ratifications may be completed, but in no event later than April 1, 2005).